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Commonwealth of Kentucky
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Gregory Coker
Commissioner

Christopher L. Lilly
Commissioner
Department of Public Protection

Lexington-Fayette Urban County Government August 11, 2005
Department Of Law
200 East Main Street
Lexington, KY 40507

RE: Case No. 2005-00214

We enclose one attested copy of the Commission's Order in the above case.

Sincerely,

A handwritten signature in black ink, appearing to read "Beth O'Donnell".

Beth O'Donnell
Executive Director

BOD/jc
Enclosure

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COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE PETITION OF)	
KENTUCKY-AMERICAN)	
WATER COMPANY FOR)	CASE NO. 2005-00214
APPROVAL OF THE TRANSFER)	
OF CONTROL AND OWNERSHIP)	
OF JACOBSON PARK)	

O R D E R

On June 1, 2005, Kentucky-American Water Company ("KAWC"), a corporation organized and existing under the laws of the Commonwealth of Kentucky, filed its application seeking approval of the transfer of control and ownership of 386.272 acres known as Jacobson Park, located in Lexington, Fayette County, Kentucky, from KAWC to the Lexington-Fayette Urban County Government ("LFUCG"), pursuant to the terms of a Lease Amendment dated May 16, 2005.

The Commission finds that the parties to this proceeding should be given an opportunity to comment on the proposed transfer. Therefore, any party wishing to submit comments to the Commission should do so in writing within 30 days of the date of this Order.

The Commission also finds that the public should be given an opportunity to comment on the proposed transfer. Therefore, KAWC should publish a notice of the proposed transfer in a newspaper of general circulation in KAWC's Central Division service area.

IT IS THEREFORE ORDERED that:

1. Within 30 days from the date of this Order, the parties to this proceeding may file comments on the proposed transfer.
2. Within 30 days from the date of this Order, KAWC shall publish in a newspaper of general circulation in KAWC's Central Division service area the public notice below.

PUBLIC NOTICE

Kentucky-American Water Company is the owner of approximately 386 acres, known as Jacobson Park, which includes a reservoir used by Kentucky-American Water Company and Lakeside Golf Course, and which is situated on the north side of Richmond Road in Fayette County, Kentucky. Lexington-Fayette Urban County Government leases Jacobson Park from Kentucky-American Water Company. An amendment to their lease agreement, signed and dated May 16, 2005, provides for the transfer of control and ownership of the Jacobson Park land from Kentucky-American Water Company to the Lexington-Fayette Urban County Government on or after January 2, 2011. The deed to be delivered to the Lexington-Fayette Urban County Government preserves the ability of Kentucky-American Water Company to use, as necessary, the reservoir located on the Jacobson Park property for the provision of potable water to Kentucky-American Water Company's customers. In addition, it provides that Lexington-Fayette Urban County Government shall not engage in any use or activity that constitutes a pollution hazard to the water, lands or facilities maintained by Kentucky-American Water Company within, adjacent to, or nearby the property to be conveyed. The deed stipulates that the property be used solely for public park and recreational purposes.

The parties are seeking approval from the Kentucky Public Service Commission. Interested parties are invited to submit comments in writing to the Kentucky Public Service Commission no later than 30 days from the date of publication of this Notice. All comments should refer to Case No. 2005-00214 and should be sent to: Executive Director,

Kentucky Public Service Commission, P.O. Box 615,
Frankfort, KY 40602.

3. Within 30 days from the date of this Order, KAWC shall file with the Commission an affidavit attesting to the publication of the Public Notice and attach a copy of the publication.

Done at Frankfort, Kentucky, this 11th day of August, 2005.

By the Commission

ATTEST:



Executive Director